

**KEEGAN, WERLIN & PABIAN, LLP**

ATTORNEYS AT LAW  
211 CUSTOM HOUSE STREET  
BOSTON, MASSACHUSETTS 02110-3525

(617) 951-1400

TELECOPIERS:  
(617) 951-1354  
(617) 951-0586

July 25, 2003

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: D.T.E. 03-47, Boston Edison Company, Cambridge Electric Light Company,  
Commonwealth Electric Company, NSTAR Gas Company, Pension/PBOP  
Adjustment Mechanism Tariff Filing

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter is the first set of information requests of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company to the Attorney General. Also enclosed is a certificate of service.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin", with a horizontal line drawn underneath it.

Robert N. Werlin

Enclosures

cc: Service List

**COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

_____	)	
Boston Edison Company	)	
Cambridge Electric Light Company	)	D.T.E. 03-47
Commonwealth Electric Company	)	
NSTAR Gas Company	)	
_____	)	

**NSTAR FIRST SET OF INFORMATION REQUESTS  
TO THE ATTORNEY GENERAL**

**Instructions**

The following instructions apply to this set of information requests and all subsequent information requests issued by NSTAR in this proceeding.

1. Each request should be answered in writing on a separate page (paginated) with a recitation of the request, the identification number of the request (for example, NSTAR-1-1), the docket number of the case, the date of the response, and the preparer of the response or the name of the person responsible for the answer. Please mark each page of an answer with the identification number of the request. In addition, please clearly reference any attachments to a response with the number of the request to which it applies and include page numbers on all attachments.
2. Please do not wait for all responses to be completed before supplying answers, but instead please provide the answers as they are completed.
3. These information requests shall be deemed continuing in nature so as to require further supplementation if the Attorney General or his witnesses receive or generate additional information within the scope of those requests between the time of the original response and the close of the record in these proceedings.
4. The terms used interchangeably within these information requests relating to “any and all”, “documentation”, “support”, and “justification” mean provide all data, assumptions, and calculations relied on. Provide the source of and basis for all data and assumptions employed. Include all studies, drafts, memos, reports, and planning documents from which such data, estimates and assumptions were used. Provide and explain any and all supporting workpapers.
5. The term “document” is used in its broadest sense and includes, without

limitation, writings, drawings, graphs, charts, photographs, phonographic records, microfilm, microfiche, computer printouts, memoranda, letters, correspondence, handwritten notes, records and reports, bills, checks, articles from journals or other sources, and other data compilations from which information can be obtained, and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If the Respondent believes that any of these information requests are ambiguous or need clarification, please contact Robert Werlin at (617) 951-1400 so that the requests can be clarified prior to the preparation of a written response.
7. If an answer provides a reference to another information response, please provide that response with the answer.
8. If a question refers to an information request of another party, please provide an answer with information that supplements the previous responses.

### **Information Requests**

- NSTAR-1-1 Please provide copies of (1) all prefiled testimony or reports (including all associated exhibits and attachments) submitted by Mr. Effron to state and federal regulatory authorities (including the Federal Energy Regulatory Commission and the Securities and Exchange Commission) from 1993 to the present; and (2) transcripts of Mr. Effron's testimony at hearings before state and federal regulatory authorities (including the Federal Energy Regulatory Commission and the Securities and Exchange Commission) from 1993 to the present relating to: (1) ratemaking for pensions and post-employment benefits other than pensions ("PBOP"); (2) accounting for pension and PBOP expenses; (3) a reconciliation adjustment mechanism relating to any utility cost element; and (4) cost of capital.
- NSTAR-1-2 Provide copies of all regulatory decisions addressing the issues covered by Mr. Effron in testimony provided in response to NSTAR-1-1. Identify the decision making authority, docket number, year of the decision, and any official citation to the decision.
- NSTAR-1-3 Was Mr. Effron's selection by the Attorney General to provide testimony in this proceeding the result of a competitive bid process? If so, please provide a copy of both the Attorney General's solicitation of proposals and Mr. Effron's proposal in response.
- NSTAR-1-4 Please list all places of employment, positions held and the dates of employment since 1973 for Mr. Effron.

- NSTAR-1-5 Please list all matters on which Mr. Effron has consulted in the past five years by date beginning with the most current matters. For each matter, provide a brief description of the subject matter of the project and indicate for whom these services were provided.
- NSTAR-1-6 Please identify all documents relied upon by Mr. Effron for knowledge of the Department's pension expense ratemaking requirements. Please provide a copy of each identified document.
- NSTAR-1-7 Please provide a description of Mr. Effron's duties as a staff auditor at Touche Ross & Co. and the dates of such employment.
- NSTAR-1-8 While employed by Touche Ross & Co., was Mr. Effron responsible for rendering an opinion on financial statements? If the answer is yes, please indicate the specific financial statements and subject companies.
- NSTAR-1-9 Did any of Mr. Effron's audit engagements at Touche Ross include regulated utilities? If so, please list the companies and a description of the engagement(s).
- NSTAR-1-10 Has Mr. Effron prepared financial statements to be included in filings with the Securities and Exchange Commission? If so, please provide a list and description of such instances.
- NSTAR-1-11 Has Mr. Effron prepared financial statements to be included in filings with the Federal Energy Regulatory Commission? If so, please provide a list and description of such instances.
- NSTAR-1-12 Please indicate if any companies for which Mr. Effron has prepared financial statements were subject to the provisions of SFAS 71.
- NSTAR-1-13 Is it Mr. Effron's opinion that if the Department were to approve the PAM as filed, that the Department would be limited in its review over NSTAR's benefit programs or pension trust fund investment practices?
- NSTAR-1-14 Is Mr. Effron aware of any examples of instances where regulatory commissions have adjusted allowed returns based as a direct result of the establishment of a cost reconciliation mechanism? If so, please provide citations to the cases and copies of commission decisions that made such adjustments.
- NSTAR-1-15 Is it Mr. Effron's opinion that NSTAR was not required to take a charge to other comprehensive income for its unfunded pension liability at the end of 2002, even if the Department had not approved the accounting order in D.T.E. 02-78? If yes, please provide the basis for the response.

- NSTAR-1-16 Reference page 5, lines 9-10. Please provide all studies and other documents relied upon by Mr. Effron in support of his conclusion that “reconciliation mechanisms are contrary to sound ratemaking practice.”
- NSTAR-1-17 Reference page 5, lines 13-18. Please provide all studies and other documents known to Mr. Effron that describe the potential for volatility of pension and PBOP costs based on SFAS 87 and SFAS 106 accounting requirements.
- NSTAR-1-18 Please identify all input assumptions (e.g., actuarial and financial, etc.) that are required to determine the Company’s estimated periodic pension expense for a particular calendar year. Please identify and provide a copy of all documents used in answering this request.
- NSTAR-1-19 Reference page 9, lines 8-11. Please provide the basis for and all documents relied upon by Mr. Effron to support his conclusion that “the Company can book a regulatory asset to offset the Additional Minimum Liability and would not have to write off the prepaid pension asset.”

**COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

\_\_\_\_\_  
Boston Edison Company )

Cambridge Electric Light Company )

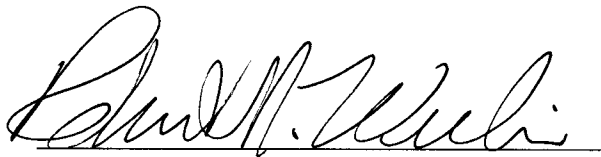
Commonwealth Electric Company )

NSTAR Gas Company )  
\_\_\_\_\_

D.T.E. 03-47

**CERTIFICATE OF SERVICE**

I certify that I have this day served the foregoing document upon the Department of Telecommunications and parties of record in accordance with the requirements of 220 C.M.R. 1.05 (Department's Rules of Practice and Procedures).



Robert N. Werlin

Keegan, Werlin & Pabian, LLP

21 Custom House Street

Boston, Massachusetts 02110

(617) 951-1400

Dated: July 25, 2003